

DRAFT/2/22/80

MEMORANDUM FOR: Director of Logistics

STATINTL FROM:
Chief, Plans and Programs Staff, OL

SUBJECT: Planning

REFERENCE: Multi adse memo, fm. C/MS/DDA, dtd 15 Feb 80,
subj: Planning in the Directorate (DD/A 80-0427;
OL 0 0781)

Jim,

Paragraph 2 of reference asks two questions as follows.

- whether or not you agree with the proposed changes;
and
- what strategic objectives you would initially
identify for each of your respective areas of
responsibility.

Re the first question, P&PS can think of no ^{ARGUMENT}~~agreement~~
against the concept of long-range (strategic) planning and the
use of MBO's as a tool to administer the program. The May-June
of 78 issue of HBR has an excellent article on the problems
inherent in^o strategic plan - a copy is attached for your
convenience as it may be valuable background material for your
meeting. I apply the message of the article to our situation
as follows.

Although the value of the planning lies in the process
of creating the plan, and not in the plan itself, history is
replete with the plan (and subsequent MBO's with attendant
milestones) becoming the criteria for managerial effectiveness.

A long-range plan is a prediction of the future by management but, once the plan is presented, the management that created the plan becomes responsible to meet it with no control over future constraints and realities. Because upper management needs data to allocate bonuses, promotions, ranking, etc., the obtainment of milestones may become critical and there may be actions to meet milestones that are not in the long range best interests of the government. No one can accurately predict the future, therefore, plans, MBO's and milestones must be flexible, and management must be sensitive to how

effective one anticipates and adapts to realities, and management must not unfairly emphasize the meeting of milestones and deadlines. Accordingly, as the HBR points out, the process must be adaptive, and the tools for evaluating progress well defined, with little emphasis on statically meeting milestones.

Paragraph 3 of Mr. Wortman's 28 January memo recognizes some of the dilemmas posed by the second question but nonetheless states that we should take our best look at the near and mid-term future. I agree, particularly with the we. The DDA's assumptions are not complete or adequate. A plan should start at the top and grow as it progresses down the organization. I think the DDA should provide the following additional guidance (assumptions):

(a) DCI policy will or will not be to require a logistical annex - re require OL participation in all phases of projects. A requirement for mandatory logistical participation would greatly influence our manning requirement, mix of skills, organization and planning procedures.

STATINTL

(c) Will the Agency be more or less open to the public, to audit and to review. This would effect the P. D.

We would identify the following objectives.

- Energy
 - Facilities
 - RECD's MBO
 - Energy Committee
 - DOE requirements
 - Consolidation
 - Transportation
 - LSD's MBO
 - Consolidation
- Organizational effectiveness/efficiency.

-Given a constant work year, [REDACTED]

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[REDACTED] and constant demand
growth, the only way we can break even is
through higher productivity. Higher
productivity and greater effectiveness
(responsiveness) can be achieved via data
processing.

-Internal
EO's MBO OL MMP

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- Divisional Plans and MBO's
(At ~~least~~ one per Division)

If the above approach is OK we will contact each division to obtain their plans and MBO's and flesh the above plans out

STATINTL

re paragraph 5 of Mr. Wortman's 28 January memo. In the meantime P&PS has reviewed both ODP's and OC's publications on their strategic plan. I identify strongly with ODP's efforts and is now working against a goal to draft a similar plan for OL over the next three or so weeks.